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C O N F I D E N T I A L SECTION 01 OF 02 QUITO 001169

SIPDIS

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TAGS: PREL MASS MARR SNAR PTER EC CO KICC

SUBJECT: GOVERNMENT CHANGE FURTHER HINDERS ARTICLE 98

CAMPAIGN

REF: QUITO 1018

Classified By: Ambassador Kristie Kenney, Reasons 1.4 (b), (d)

11. (C) SUMMARY: With the rise to power of President Alfredo Palacio, Article 98's chances in Ecuador sunk from bad to worse. Palacio's right-hand man, Minister of Government Mauricio Gandara, laid down an early marker, claiming there would be "no immunity for U.S. soldiers" during this government. Facing such opposition, the Embassy considers a frontal Article 98 assault doomed to fail. Rather, a "confidence building" strategy seems in order, with early efforts aimed at promoting USG assistance and shared interests. Under this scenario, direct Article 98 engagement would commence in late summer. END SUMMARY.

## Opponents Pepper New Administration

- 12. (C) Reftel outlines short-term Embassy challenges with the fledgling Palacio Administration. Near the top lie political-military negotiations, Article 98 the toughest nut of all. Alfredo Palacio took office amidst elites' uproar that predecessor Lucio Gutierrez had kowtowed to the United States on security matters; they demanded he change tack and protect Ecuadorian "sovereignty" In Gandara, Palacio found the quintessential gringo-basher who rarely has met a U.S. policy he doesn't oppose. While his formal responsibilities as minister of government do not include military affairs, he nonetheless exercises great influence over his cardiologist boss. We therefore consider Gandara's early, anti-Article 98 remarks Ecuador's current policy.
- 13. (C) Recent weeks have seen further roadblocks erected, in the form of strange-but-true Palacio hires. For example, as national security adviser the president tapped retired Colonel Jose Brito, a former coup participant and, as a founder (with Gandara) of the "Monitoring Group over Plan Colombia," himself a U.S,-basher. Even more bizarre, retired Colonel Patricio Acosta, whose visa the USG pulled last year on corruption grounds, is now a trusted Palacio confidant. Both will oppose Article 98 tooth-and-nail.
- 14. (C) Our past reporting has highlighted Article 98's unpopularity here, as well as prior presidents' unwillingness to expend political capital in its pursuit. Palacio definitely falls among the unwilling. Many consider him an interim president; taking on the controversial Article 98 might turn their beliefs into fact. Palacio therefore is unlikely to lead a top-down effort to spur good-faith negotiations.
- 15. (C) In meetings with Embassy officials, Palacio's foreign minister, Antonio Parra, appeared less ideological and more approachable than Gandara and company. Our early take? He merited cultivation. For various reasons the corpulent diplomat's difficult adaptation to 9300-ft elevation Quito for one Parra has spent less time in that capital than a Cabinet minister should, hampering our efforts to get close. But we'll need FM support even to get talks restarted.

## Supporting a Soft Sell

- 16. (C) Pressing him hard and early on Article 98 seems counterproductive to our interests, however. We are not yet convinced Parra enjoys the president's ear, for example. Were he to introduce the measure to Ecuador's "interagency," it undoubtedly would energize Gandara, giving the government minister the U.S. dogfight he so desires. Ecuadorian elder statesman Raul Baca, a former government minister himself, confirmed that our fears had merit, counseling the Ambassador May 16 we "would be crazy to raise immunity now."
- 17. (C) It remains difficult to envision the GoE surrendering a U.S. national to the International Criminal Court anytime soon. As such, we believe there is time for a more deliberate, but potentially more successful approach; confidence-building measures seem in order. Rather than hit Parra with Article 98, perhaps the hottest bilateral potato he'll encounter, we favor an early campaign to educate him on "softer" U.S. assistance and shared interests.

18. (C) In two weeks, Ecuador's defense minister will accompany the Ambassador to a U.S. Military Medical Readiness Training Exercise (MEDRETE) in Cotopaxi province; we plan to extend Parra similar invitations to view USG aid up-close. Similarly, shared USG-GoE interests abound, the fight against trafficking in persons (TIP) coming first to mind. As Parra grows to realize that close U.S. relations benefit Ecuador, he should become less apt to dismiss Article 98 out-of-hand. We could see a strong USG pitch coming at UNGA in September, for example.

## Congress Less the Enemy?

19. (C) Although we're yet to see a GoE counter-proposal, much less a signed Article 98 ready for legislative approval, Ecuador's Congress has long been an impediment to a deal. Ecuador's recent upheaval might prove beneficial in this regard, however. Responding to protesters' cries "que todos se vayan" ("all must go"), eleven deputies have lost their seats, including Carlos Vallejo, the yankee-hating (despite his significant business dealings with the U.S.) former head of the International Affairs committee. Poloff called on Vallejo's replacement (for the seat, not the committee chair) May 18 and found him engaging and pro-American. We have heard rumors that Social Christian Deputy Pascual del Cioppo might inherit the committee chair; the Guayaquileno in 2004

told us he supported Article 98 in theory.

## A Parting Shot

110. (C) Article 98 discussions with Ecuador commenced in July 2002. In the 33 months that followed, with Ecuador governed by leaders with reasonably pro-U.S. philosophies, we measured our progress by millimeters, not miles. Palacio and the ultranationalists in his employ most definitely aren't allies, and we should expect tough sledding on this controversial initiative.

KENNEY